

2008 CITY PROPERTY TAXES CONSERVATIVE GENERAL FUND BUDGET APPROVED

TO MAINTAIN QUALITY SERVICES, the City Council adopted a \$51.9 million 2008 General Fund Budget, a 4.63 percent increase from 2007.

Based on this tax levy, the City's portion of property taxes – approximately 33 percent – will decrease from \$62.82 to \$61.81 per month for a median-priced, single-family home (2007 market value \$247,900). The median home value increased 1.3 percent in 2007 – a \$3,100 asset value appreciation over 2006. (As specified by state law, property values used for 2008 taxes are based on 2006 property sales. Lower home sale prices in 2007 will be reflected in 2009 property taxes.) Total market value for all Bloomington properties grew from \$11 billion in 2007 to \$11.8 billion for taxes payable in 2008.

CONSERVATIVE INCREASE

"Including the 2008 increase, the City's total levy dollar increase averaged 4.61 percent annually over the last 10 years, representing a combination of economic inflation, loss of state revenues and additional growth within the City," explained Lori Economy-Scholler, Bloomington Chief Financial Officer. "The City's strong financial position and conservative spending have helped keep tax increases low as evidenced by the City's achievement of the highest bond ratings

from Standard and Poor's, Moody's and Fitch credit rating agencies." See below.

COMMERCIAL PROPERTY VALUES INCREASING

A strong commercial/industrial property market offset a flattening of the residential markets to provide good tax base growth for taxes payable in 2008. The value changes shift more of the 2008 property tax burden from single-family residential to commercial/industrial. For 2008, the owner of a median-valued home will see a total property tax increase for all jurisdictions of approximately 1.2 percent. Over the past 10 years, the owner of a median-valued home has seen total property taxes increase at an annual rate of 4.4 percent, while market value has increased 8.1 percent per year over the same period. Overall value growth for commercial and industrial properties averaged more than 15 percent for taxes payable in 2008. A strong development cycle for office and hotel is resulting in new development under construction or in planning stages.

RESPONSIBLE BUDGETING

The City made adjustments in 2002 through 2008 for revenue losses due to the State's nonpayment to the City of \$6.2 million in market value credit during that period. Even with the anticipated loss of state monies in 2008,

2008 CITY SERVICES FOR A MEDIAN HOME VALUE OF \$247,900

Service	2008
Police	\$19.92
Public Works	17.12
Community Services	8.72
Debt and capital	5.00
Community Development	3.64
Fire Response	3.47
Technical Services	2.53
Strategic Priorities	1.41
Monthly cost in 2008	\$61.81
Monthly cost in 2007	\$62.82
	Decrease \$1.01

The City's portion of property taxes – approximately 33 percent – will decrease from \$62.82 to \$61.81 per month for the owner of a median-priced, single-family home with a 2007 market value of \$247,900. Public works, police and fire services account for about 64 percent of the monthly services for which homeowners pay.

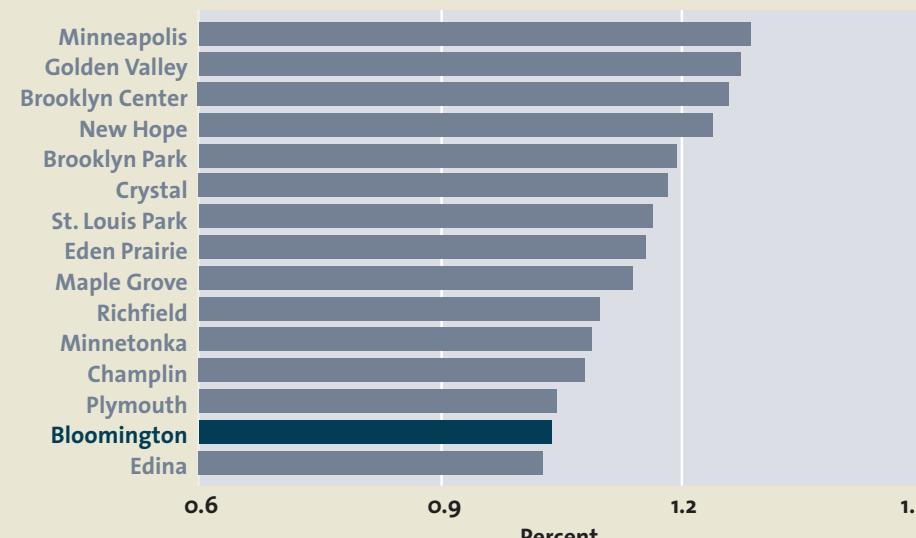
the City has an ongoing commitment to provide cost-effective services while minimizing increases.

From 1995 through 2002, utility fees remained unchanged. For 2008, utility fees will increase \$1.66, or 4.6 percent per month, for an annual average increase of 4.9 percent since 2004.



Including the School District, County, City and other taxing districts, Bloomington's total property tax cost on the average single-family home ranks second lowest of Hennepin County cities with populations over 20,000. Data from the 2007 Citizen's League Property Tax Review is incorporated in the graph at right.

2007 SINGLE-FAMILY EFFECTIVE PROPERTY TAX RATE TOTAL PROPERTY TAX AS PERCENTAGE OF AVERAGE HOME'S VALUE



CITY AGAIN RECEIVES THIRD TRIPLE-A BOND RATING EXCELLENT BOND RATINGS ENSURE STRONG FINANCIAL FUTURE

BLOOMINGTON RANKS with an elite few cities nationwide in holding three triple-A bond ratings. The City maintains its triple-A ratings from Moody's, Standard & Poor's and Fitch Ratings, the highest bond ratings awarded by these agencies.

Bloomington is one of only 24 cities out of more than 19,000 municipal governments in the U.S. that have achieved triple-A ratings from all three agencies. Our city is currently the only city in Minnesota to hold all three highest ratings. According to the agencies, Bloomington's triple-A status

reflects the City's conservative fiscal management, diverse economic base, central location, low unemployment rates that fall below state and national averages, and continued success in the Mall of America tax increment district.

The City's excellent bond ratings signal current and potential investors that our financial future is strong and ensures Bloomington's interest costs will remain as low as possible. It also communicates to businesses and individuals that Bloomington is a healthy community.



UPCOMING OPEN HOUSES SHARE INPUT, STAY INFORMED

NORMANDALE LAKE DISTRICT PLAN

TO GATHER PUBLIC input on the final draft of the *Normandale Lake District Plan*, an open house is scheduled for **Wednesday, February 20, 5:30 - 7 p.m.** in the Civic Plaza Lobby, 1800 W. Old Shakopee Road. For more information, call Julie Farnham at 952-563-4739 or visit www.ci.bloomington.mn.us, keywords: District Plan.

POPLAR BRIDGE TRAFFIC STUDY

A N OPEN HOUSE is scheduled for **Monday, March 24, 4 - 7 p.m.**, at Poplar Bridge Elementary School, 8401 Palmer Ave. S., to discuss a traffic study for the Poplar Bridge neighborhood between Normandale Boulevard and France Avenue, and between West 84th and West 90th and 94th Streets. This area has a history of traffic concerns.

For more information, visit www.ci.bloomington.mn.us, keywords: Poplar Bridge, call Traffic Management Coordinator Paul Jarvis at 952-563-4548 or Civil Engineer Amy Marohn at 952-563-4532, or e-mail trafficmanagement@ci.bloomington.mn.us.

2007 MINNESOTA PUBLIC WORKS PERSONNEL AWARDS CITY EMPLOYEES HONORED



LONGTIME City of Bloomington employees, Maintenance Superintendent Larry Tschida, right, and Parkkeeper II Dave Hanson, left, were recipients of the 2007 Minnesota Public Works Association Personnel Award. Tschida was honored for his continuing innovation in maintenance operations and his encouragement and mentoring in the area of staff development. Hanson was honored for his outstanding work in providing quality maintenance service to the city.

The Minnesota Public Works Association's mission is to advance the theory and practice of the design, construction, maintenance, administration and operation of public works facilities and services in Minnesota.